

## Message Text

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PAGE 01 NEW DE 12280 140315Z  
ACTION NEA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 INR-10 NSAE-00  
PA-01 ICA-11 SP-02 EB-08 COME-00 TRSE-00 OMB-01  
AID-05 AGR-01 /050 W  
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R 111143Z AUG 78  
FM AMEMBASSY NEW DELHI  
TO SECSTATE WASHDC 3344  
INFO AMEMBASSY ISLAMABAD

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E.O. 11652: NA  
TAGS: ETRD, PK, IN  
SUBJECT: PAKISTAN-INDIA TRADE

BEGIN UNCLASSIFIED

1. THE FINANCIAL EXPRESS OF AUGUST 9 CARRIES A FRONTPAGE REPORT BY ONE OF ITS STAFF JOURNALISTS THAT "TRADE BETWEEN INDIA AND PAKISTAN HAS VIRTUALLY COME TO A HALT" BECAUSE OF THE FAILURE OF THE TWO GOVERNMENTS TO AGREE TO A TRADE REGIME. ACCORDING TO THE ARTICLE, PAKISTAN HAS REFUSED PERMISSION TO ITS IMPORTERS TO OPEN LETTERS OF CREDIT FOR NEW IMPORTS FROM INDIA.

2. THE PAK ACTION MAY AFFECT INDIAN GOODS WORTH RS. 10 CRORES (\$12.5 MILLION) FOR WHICH EXPORT CONTRACTS HAD ALREADY BEEN SIGNED, THE PAPER REPORTS. "THE WORST SUFFERERS ARE A LARGE NUMBER OF SMALL UNITS SUPPLYING A WIDE VARIETY OF ITEMS." THREE SPECIFIC EXAMPLES ARE DESCRIBED.

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3. THE ARTICLE RELATES THE HISTORY OF INDO-PAK TRADE RELATIONS SINCE 19-5, POINTING OUT THE IMBALANCE IN THE TRADE AND THE GOP'S CONCERNS. IT CONCLUDES, "THE STEEP FALL IN OUR IMPORTS FROM PAKISTAN DURING THE YEAR HAS BEEN DUE TO PAKISTAN'S INABILITY TO SUPPLY RAW COTTON BECAUSE OF SHORTAGE".

4. WHILE THE FINANCIAL EXPRESS STORY SAID THAT THE COMMERCE SECRETARY WOULD LEAD A HIGH-POWERED TRADE DELEGATION TO PAKISTAN TOWARDS THE END OF THIS MONTH, AN INDIAN NEWS SERVICE REPORTED THE NEXT DAY THAT THE TRADE TALKS WERE "NOT LIKELY TO BE RESUMED THIS MONTH AS ORIGINALLY SCHEDULED..." THE NEW DATE IS GIVEN AS AN INDEFINITE "SOME TIME IN SEPTEMBER." END UNCLASSIFIED.

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5. COMMENT: BECAUSE OF THE LOW LEVEL OF TRADE, ANY CURTAILMENT OF EXPORTS TO PAKISTAN IS NOT TRULY DISRUPTIVE TO THE INDIAN ECONOMY, EVEN ON A REGIONAL BASIS. THE CONTENT OF THE ARTICLE AND TREATMENT GIVEN TO IT IS THE RESULT RATHER OF THE POLITICAL SENSITIVITY OF THE ISSUE. GOHEEN

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PRESS COMMENTS, FOREIGN RELATIONS, TRADE  
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**Draft Date:** 11 aug 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Review Markings:**  
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